

# GENERAL TERMS AND CONDITIONS FOR LYONESS MEMBERS (MEMBERSHIP AGREEMENT)

Version: July 2013

## Introduction

Lyoneess America, Inc. ("Lyoneess") operates a shopping community that permits participants ("Members") to receive benefits in the form of rebates and compensations (for details regarding the different benefits that may be earned please see Section 7 below) when they or other Members make purchases at Lyoneess affiliated retailers and companies ("Loyalty Merchants"). Pursuant to these General Terms and Conditions (the "Membership Agreement") the Member may participate in the Lyoneess community and receive benefits as set out herein (the "Lyoneess Loyalty Program").

The Lyoneess Loyalty Program is based on the principle that Lyoneess will negotiate volume rebates from retailers, Loyalty Merchants. These rebates will be provided to Lyoneess when Members make purchases at Loyalty Merchants and Lyoneess will then use monies obtained from these rebates to confer benefits to Members, as described below. Lyoneess is not making any supply of tangible or intangible property or services and Members are not required to make any purchases from Lyoneess or provide any money or services to Lyoneess in order to benefit from the Lyoneess Loyalty Program. All purchases will be made directly from Loyalty Merchants (except Gift Card(s), Mobile Gift Card(s), described below under Section 4.2, which may only be obtained from Lyoneess). All benefits accruing to Members are based on rebates received from Loyalty Merchants and passed on to Members, and all such rebates are based on the volume of purchases by Members from Loyalty Merchants.

## 1. Object of Contract

1.1 To the extent permitted by this Membership Agreement, the Member may participate in the Lyoneess Loyalty Program and take advantage of benefits when the Member or other Members purchase goods or services from Loyalty Merchants. Lyoneess at its absolute sole discretion reserves the right to decline any application for Membership.

## 2. Contractual Basis

2.1 Upon acceptance of the registration application by Lyoneess, the applicant becomes a registered Member and receives a personal Membership number (the "ID Number"). A Member is forbidden to make a payment/deposit or purchase to another Member's account. In addition, Members are forbidden to solicit donations from other Members and/or conduct fundraising activities of any kind whatsoever in conjunction with their Lyoneess Membership.

2.2 Each natural person or legal entity may maintain only one Membership (one ID Number). Country of registration is determined by the primary residence of the Member (in the case of a natural person) or the Member's principal place of business (in the case of a legal entity). In the event of multiple registrations, the ID Number(s) registered last will be deleted and any benefits acquired through the multiple registrations will be forfeited. Multiple registrations undertaken to obtain benefits is cause for termination of the Membership Agreement by Lyoneess. A Change of Recommender/Referrer by a Member is strictly prohibited.

2.3 To become a Member, an individual must be at least 18 years of age and must not have a pending/open bankruptcy. For a legal entity to become a Member, it cannot be a not-for-profit organization, including but not limited to, chamber of commerce, mutual benefit companies, churches, charitable foundations, and/or government agencies and must not have a pending/open bankruptcy.

2.4 When a Member makes a purchase they qualify for the first four (4) parts of the compensation plan, which includes Cashback, Friendship Bonus, Loyalty Cash, and Loyalty Credit.

2.5 The Member may recommend/refer the Lyoneess Loyalty Program to other persons but is under no obligation to Lyoneess to do so or to succeed in such activities. Any registration made by one person on behalf of another must be done with the express consent of such other person.

2.6 The Member represents and warrants that all information provided to Lyoneess is true, accurate, and complete when given, and the Member undertakes to inform Lyoneess in a timely manner of any change in the Member's registration information. Lyoneess will rely on the information provided by the Member and is not obligated to seek out such information. The Member shall be solely responsible and liable for any and all loss, damage, and cost that the Member, Lyoneess, or any other person may incur as a consequence of the submission of any false, incorrect, misleading, or incomplete information or any failure to update such Member's registration information. Lyoneess may require a certified copy of government-issued identification prior to making changes to the Member's registration information.

2.7 The Member's contractual relationship is solely with Lyoneess, any payments made for the purchase of Gift Card(s), and Mobile Gift Card(s) shall be made to Lyoneess, and any benefits received shall be provided by Lyoneess.

2.8 This Membership Agreement together with the Additional Benefits described under Section 7.1.e and in addition, the Friendship Flyer, the Online Registration Form, the Online Policy for Members, and as applicable the Statement of Policies and Procedures, and the referenced material on the Lyoneess website constitute the entire agreement between Lyoneess and the Member and supersede any prior or contemporaneous or understandings regarding this subject matter.

2.9 Your ability to earn Lyoneess Benefits is determined by your active participation in the Lyoneess Loyalty Program. You may participate in the Lyoneess network in many ways, any of which or in combination can contribute to your active participation and ability to earn income. A few of the ways in which you may participate are: generate retail shopping volume with Lyoneess Loyalty Merchants including the purchase of Gift Cards and partially-paid Gift Card orders, encouraging the activity of Independent Business Representatives (IBRs) in your organization, and enrolling Members to shop in the Lyoneess network of retail Loyalty Merchants. All Benefits you can earn depend solely on your own efforts and abilities.

You acknowledge that no one has made promises to you that you will earn Benefits by the efforts of others or that you will earn money in a passive manner, without hard and diligent effort on your part. You further acknowledge that no one has represented to you that you are guaranteed to earn profits or a specific amount of money.

The General Terms & Conditions that you acknowledge having read represent the complete and exclusive statement of the terms and conditions of order, to the exclusion of any terms and conditions submitted by anyone else orally or in writing.

No item contained in the General Terms & Conditions may be added to, modified, superseded or otherwise altered except by written instrument signed by an authorized Lyoneess corporate officer.

## 3. Legal Relationship

3.1 This Membership Agreement does not constitute or establish and shall not be construed as creating any employment, franchise, partnership, or joint venture relationship between Lyoneess and the Member. The Member is entitled only to the benefits enumerated herein and is not entitled to any other compensation for activities undertaken in connection with the Lyoneess Loyalty Program, nor to any reimbursement for expenses incurred in such activities.

3.2 The Member shall be responsible for any and all payments due to applicable taxation and other governmental authorities in respect of all activities and benefits hereunder.

3.3 The Member agrees to abide by all federal, state, county and municipal laws, rules and regulations applicable to activities in connection with the Lyoneess Loyalty Program, including without limitation consumer protection law, advertising and promotions law, and insurance law. A Member who chooses to engage in promotional activities or the solicitation of new Members does so independently of Lyoneess; shall not hold herself or himself out as a representative, agent, or employee of Lyoneess; is under no obligation to Lyoneess to succeed in such activities; and shall comply and be solely responsible for compliance with all applicable laws and any federal, state, county, and municipal laws licensing requirements in connection with such activities. The Member shall not make any false, misleading or incorrect material statement about Lyoneess or the Lyoneess Loyalty Program, including without limitation in connection with soliciting new Members. In addition, the Member shall not make any claims of income other than those stated on the Lyoneess Income Disclosure Statement (IDS), nor make any guarantees or claims of profit. The Member has no authority to act on behalf of or to incur any obligation binding on Lyoneess or its Affiliates (IDS is available for review at [www.lyoneess.us](http://www.lyoneess.us)).

3.4 The Member may not use the Lyoneess logo or name, its Loyalty Merchant's logo or name, intellectual property in advertising documentation, by creating or using materials such as flyers, handouts, mailings, and/or brochures. The Member is prohibited from marketing, advertising, promoting or displaying the Lyoneess name, the Lyoneess Loyalty Program or the Lyoneess Loyalty Merchants on any types of motor vehicles, billboards, signs, banners, and/or via emails without the express prior written consent from Lyoneess.

3.5 Conflicts of Interest/Non-Solicitation: Members are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Members shall not, directly or indirectly, recruit other Lyoneess Members for any other network marketing

business. A violation of this restriction will subject the Member to automatic and immediate termination by Lyonesse.

Following the cancellation of a Member's membership, and for six (6) calendar months thereafter, a former Member may not recruit any Lyonesse Member for another network marketing business. A Member and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, the Member and Lyonesse agree that this non-solicitation provision shall apply nationwide and to all international markets in which Members are located. A violation of this restriction will subject the Member to automatic and immediate termination by Lyonesse. This provision survives the termination or expiration of this Agreement. For purposes herein, the term "recruit" means the actual or attempted sponsorship, referral, solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another Lyonesse Member to enroll or participate in another multilevel marketing, network marketing or direct sales opportunity.

3.5.1 A Member's Participation in other network marketing Programs: If a Member is engaged in other non-Lyonesse direct selling programs, it is the Member's responsibility to ensure that his or her Lyonesse business is operated entirely separate and apart from any other program. To this end, the following conditions must be adhered to:

- Members must not sell, or attempt to sell, any competing non-Lyonesse programs, products or services to Lyonesse Members. Any program, product or services in the same generic categories as Lyonesse products or services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.
  - A Member shall not display Lyonesse promotional material, sales aids, products or services with or in the same location as, any non-Lyonesse promotional material or sales aids, products or services.
  - A Member shall not offer the Lyonesse opportunity, products or services to prospective or existing Members in conjunction with any non-Lyonesse program, opportunity, product or service.
  - A Member may not offer any non-Lyonesse opportunity, products, services at any Lyonesse related meeting, seminar, convention, webinar, teleconference, or other function.
- A violation of this restriction will subject the Member to automatic and immediate termination by Lyonesse.

3.6 Without limiting the foregoing, the Member may not, without the prior written consent of Lyonesse:

- a. Use Lyonesse or Loyalty Merchant name(s), logos, identification marks, documentation, or promotional materials or the like;
  - b. Generate, distribute in written, electronic, or other form, or make publicly available (for example on websites such as YouTube or Facebook) business cards, presentations, videos, audio files, screenshots, websites or web content, media, flyers, brochures, bulk mail or mailings, advertising material, newspaper/magazine ads or the like regarding Lyonesse or the Lyonesse Loyalty Program;
  - c. Conduct public events such as information meetings, workshops, and seminars concerning Lyonesse or the Lyonesse Loyalty Program; and
  - d. Recruit retailers, wholesalers, or other merchants or companies that offer goods or services to customers as Loyalty Merchants or Members, or conduct negotiations or preliminary discussions or carry out any sort of promotional activity whatsoever to recruit such companies.
  - e. must not attempt to respond to media inquiries regarding Lyonesse, its products or services, or their independent Lyonesse business. All inquiries by any type of media must be immediately referred to Lyonesse' Legal Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image. Members are strictly prohibited from initiating any type of interactions with the media.
- Members who are interested in participating in promotional activities and events with the approval of Lyonesse may contact Lyonesse by email to: [events@lyonesse.us](mailto:events@lyonesse.us).

3.7 This Membership Agreement does not cover or include the terms and conditions under which a Loyalty Merchant deals with its customers, including Members, and any purchase of goods or services by a Member from a Loyalty Merchant, including a purchase by way of Gift Card(s), and Mobile Gift Card(s), or online shopping, all of which are governed exclusively by the terms and conditions of such Loyalty Merchant. The return policy applicable to any purchase, including a Booked Purchase, will be established directly by the Loyalty Merchant.

3.8 This Membership Agreement shall remain in force until terminated pursuant to Section 13 and/or Section 14.

#### 4. Lyonesse Loyalty Program

4.1 Members acquire benefits by making purchases from Loyalty Merchants. Lyonesse strives to continually expand the number of Loyalty Merchants, but is under no obligation to do so. A list of all current Loyalty Merchants can be found online at [www.lyonesse.us](http://www.lyonesse.us) and may be obtained on request from the relevant regional office by mail.

4.2 To ensure a transaction is recorded in the Lyonesse Loyalty Program (a "Booked Purchase"), the Member must make the purchase by one of the following methods:

- a. Cashback Card: The Cashback Card is available as a plastic card or as a mobile app and is swiped or scanned by the Loyalty Merchant at the point of purchase to transmit purchase information to Lyonesse and record the transaction. The Cashback Card only transmits information. It is not a credit or debit card and cannot be used to make payments.
- b. Gift Card(s): Gift Card(s) for specific Loyalty Merchants may be ordered using an order form, by telephone, or online at [www.lyonesse.us](http://www.lyonesse.us) (log-in area). Gift Card(s) may then be redeemed for goods or services from the named Loyalty Merchant. The transaction is recorded and benefits accrue when the purchase of the Gift Card(s) is completed, not when the Card(s) is redeemed.
- c. Mobile Gift Card(s): Mobile Gift Card can be purchased using the Lyonesse Mobile Phone App using a mobile device such as a smartphone or tablet, or online at [www.lyonesse.us](http://www.lyonesse.us). The Mobile Gift Card is similar to a gift certificate. It is purchased in respect of a selected Loyalty Merchant and may then be used to make purchases from that Loyalty Merchant.
- d. Online Shopping: Members may shop online through the Lyonesse website at [www.lyonesse.us](http://www.lyonesse.us) and all such purchases will be recorded in the Lyonesse Loyalty Program.

#### 5. Ordering Gift Cards

5.1 Gift Cards, Mobile Gift Cards (digitally downloaded to mobile devices), and—collectively identified as "Gift Cards"—are Loyalty Merchant shopping Gift Cards that may be redeemed for a total amount of goods and services equal to the face-value of the Gift Card at the respective Loyalty Merchant (and only at that respective Loyalty Merchant).

5.2 Gift Cards may be ordered online at [www.lyonesse.us](http://www.lyonesse.us) or using the Lyonesse Mobile App. Email orders of Gift Cards are received by Lyonesse Customer Service. Gift Cards are sent to the Member once Lyonesse has received payment of the full purchase price.

5.3 When placing a fully paid Gift Card order, you may order as many Gift Cards as you like.

5.4 Members may also partially pay for a Gift Card order (place a partially paid Gift card order- starting at \$225).

5.4.1 Partially paid Gift Card orders are not refundable (subject to any applicable federal, state, and municipal laws, rules and regulations) and can be recovered in the form of Gift Cards only once the Member has made a Remaining Balance payment to purchase the full amount of the applicable Gift Card (the amount of which is dependent on the amount of the partially paid Gift Card order and the percentage rebate negotiated by Lyonesse with the selected Loyalty Merchant). No partially paid Gift Card Order may be made unless processed along with a fully paid Gift Card Order. The Member may make a partial Remaining Balance payment to recover a corresponding portion of the partially paid Gift Card Order in the form of a Gift Card in an amount that is a corresponding portion of the fully paid Gift Card. For example, the Member may make a payment of twenty-five percent (25%) of the "Remaining Balance" payment in order to obtain a Gift Card in an amount equal to twenty-five percent (25%) of the full amount of the Gift Card (which will be equal to the partial payment of the Member plus twenty-five percent (25%) of the amount of the original partially paid Gift Card order). In this example, the remaining seventy-five percent (75%) of the partially paid Gift Card Order remain in the Member's account and can be recovered via further "Remaining Balance" payments at a later time.

5.4.2 The Member may make full payment of the balance of the Gift Card at any time after making the partially paid Gift Card order. See examples below:

Example One - A Member partially pays for a \$2,250.00 Gift Card from a Loyalty Merchant that pays a 10% rebate. The partial payment is \$225 and the outstanding balance is \$2,025.00.

Example Two - A Member partially pays for a \$7,500.00 Gift Card from a Loyalty Merchant that pays a 3% rebate. The partial payment is \$225.00 and the outstanding balance is \$7,275.00.

5.4.3 Partial payments are subject to the following scale that is used to qualify Member activity: \$300.00 of fully paid gift card purchase volume qualifies a Member to make a partially paid Gift Card order up to \$1,500.00. \$600.00 of fully paid gift card purchase volume qualifies a Member to make a partially paid Gift Card order up to \$3,000.00. A partially paid Gift Card order may be sold, traded, or otherwise transferred. When a partially paid Gift Card order is placed, the order may be allocated to a single Loyalty Merchant or multiple Loyalty Merchants. The payment percentage for a partially paid Gift Card order is determined by the rebate rate set by the Loyalty Merchant. If a partially paid gift card order is placed on a Loyalty Merchant which sets a rebate rate of 10%, then 10% of the gift card's full value is required to make the partially paid gift card order. If the rebate rate is 3%, then 3% is required. The amount of the "outstanding balance" is the total redemption value of the Gift Card minus the partial payment made at the time of the order. A partial payment may be made only in the amount of the rebate rate set by the Loyalty Merchant. Partial payments are non-refundable

(subject to any applicable federal, state, and municipal laws, rules and regulations). However, partial payments do not expire and may be redeemed or otherwise used in a variety of ways: A partially paid Gift Card order may be partially redeemed by partially paying the outstanding balance. Prior to payment of the outstanding balance, the Loyalty Merchant designated by the Member may be changed. (Sometimes this occurs because a Loyalty Merchant that is more desirable to the Member joins the network, and sometimes the shopping pattern of the Member changes before the Gift Card is fully redeemed.) However, a change in the designation of the Loyalty Merchant may affect the amount rebated by the Merchant to Lyoness and thereby affect the amount of the remaining balance payment.

5.4.4 Gift Cards are not returnable and payments once made cannot be refunded, except in the circumstances described under Section 6.1. Lyoness adheres to all applicable consumer protection laws or other legislation, which may provide rights of cancellation or other rights, which may be applicable to the Member. The Loyalty Merchant is not obliged to pay out any balance in cash. In the event that Gift Cards received by the Members are lost or stolen.

5.5 Fully paid Gift Cards ordered from Lyoness can only be redeemed with the Loyalty Merchant specified by the Member when ordering the Gift Cards and accordingly named on the Gift Cards. The agreement created on redemption of the Gift Cards is between the Member and the Loyalty Merchant. Lyoness is not a party to such agreement and shall have no liability for claims arising from it.

5.6 Lyoness reserves the right to decline any order for Gift Cards. Deposits or payments to a Member's Purchase Account, purchases of partially paid Gift Card orders and/or purchases of fully paid Gift Card orders are not permitted to be made by another Member and/or third party. Payments and/or purchases must be made only by the actual Member. Gift Card orders placed by Non US Members will not be processed if payment received is from or through a financial institution outside of the United States. Lyoness will comply with all applicable regulations set forth by FIN CEN relating to Lyoness and the purchase of gift cards.

5.7 Gift Cards are freely transferable. For example, the Member may pass the Gift Cards to any other person, and such person may use the Gift Card to purchase goods or services at the named Loyalty Merchant.

## 6. Service Disruptions

6.1 Lyoness guarantees that Gift Cards and Mobile Apps purchased by Members can be redeemed and used to fulfill the payment obligation arising from a purchase of goods or services from a Loyalty Merchant. If this is impossible, for example because the named Loyalty Merchant has ceased to carry on business, the Member may exchange the Gift Cards for the Gift Cards of another Loyalty Merchant. A change of Loyalty Merchant may change the benefits applicable to the purchase of the Gift Cards.

6.2 The rights and obligations stemming from a Booked Purchase arise solely between the Member and the Loyalty Merchant, and Lyoness assumes no warranty or liability for the non-performance or improper performance of any Loyalty Merchant. In the event of non-performance or improper performance by a Loyalty Merchant, the Member is not entitled to a refund of the redeemed Gift Cards, the issuance of any further Gift Cards, or any other reimbursement or compensation from Lyoness. The Member must assert any claims arising from a Loyalty Merchant's non-performance or improper performance against the Loyalty Merchant and hereby releases and discharges Lyoness from any responsibility regarding same.

## 7. Member Benefits

7.1 Booked Purchases (completed purchases) generate benefits for the Member, based on the percentage rebate negotiated by Lyoness with the relevant Loyalty Merchant. The term "booked" as used by Lyoness refers to goods or services transactions that have been entered into the program and whereby the settlement of all activities for each transaction has been finalized. Transactions settle at different periods as Loyalty Merchants process and report activities on different cycles. As such, the Member may not see the results of a purchase for one or more accounting periods. Only Booked Purchases made by registered members generate benefits through the Lyoness Loyalty Program. Benefits include Cashback, Friendship Bonus, and additional benefits, each as described below:

a. Cashback: The Member receives up to 2% of the final purchase price (excluding applicable taxes, shipping, or handling charges, if any) of all Booked Purchases as a cash rebate paid into the Member's

Cash Account (as described below under Section 7.3). The Cash back percentage for each Loyalty Merchant may be viewed at [www.lyoness.us](http://www.lyoness.us) (log-in area).

b. Friendship Bonus: The Member receives up to 0.5% of the final purchase price (excluding applicable taxes, shipping, or handling charges, if any) of all Booked Purchases made by Members who were directly referred into the Lyoness Loyalty Program by the Member, and up to 0.5% of the final purchase price of all Booked Purchases made by Members who were directly referred by the Member's directly referred Members (referrals one degree removed). The Friendship Bonus is paid into the Member's Cash Account, and the percentage rates in respect of each Loyalty Merchant may be viewed at [www.lyoness.us](http://www.lyoness.us) (log-in area).

c. Loyalty Cash: When the number of Accounting (Shopping) Units within the Member's Accounting Program follows a Member's Accounting (Shopping) Unit that was derived by shopping reaches set thresholds of Above and Below Units, the Member receives a fixed amount of Loyalty Cash.

d. Loyalty Credits: When the number of Accounting (Shopping) Units within the Member's Accounting Program follows a Member's Accounting (Shopping) Unit that was derived by making a partially paid Gift Card Order reaches set thresholds of Above and Below Units, the Member receives a fixed amount of Loyalty Credit. That credit can be used to purchase Gift Cards or Mobile Gift Cards from Lyoness which may be found at [www.lyoness.us](http://www.lyoness.us).

e. Additional Benefits: Additional benefits and rewards are available to Members once certain purchase thresholds and other preconditions are met. More information may be found at [www.lyoness.us](http://www.lyoness.us) (log-in area). When a Member qualifies for additional benefits, a pop-up on the website will notify the Member and provide further information.

7.2 Terms negotiated with Loyalty Merchants are subject to change and Lyoness may, with thirty (30) days' notice, change the benefits associated with a Loyalty Merchant provided that, and to the extent that, the terms agreed upon with that Loyalty Merchant are changed. Current applicable conditions are published at [www.lyoness.us](http://www.lyoness.us) (log-in area). In respect of any transaction, the applicable conditions shall be those that were in force on the date that is, in respect of transactions using Gift Cards, the date that Lyoness received payment in full, and in respect of transactions using the Cashback Card or online shopping, the date that the Loyalty Merchant received payment in full.

7.3 The Cash Account is a notional account maintained by Lyoness for each Member where the Member's cash benefits are recorded. Each Tuesday, if the amount in the Member's Cash Account is \$10 or more, the amount will be transferred to the Member's personal bank account. The Member will be informed of the amount transferred by SMS (text message). Benefits stemming from Booked Purchases settled as late as 11:00 p.m. on Sunday, will be credited to the Cash Account for the purposes of transfer on the following Tuesday. Gift Card(s) purchases are settled as soon as Lyoness is in receipt of the purchase price. Cashback and online shopping purchases may not be settled by the Loyalty Merchant until the Loyalty Merchant's applicable return policy has expired. However, Lyoness ensures that Loyalty Merchants settle accounts within three (3) months of the date of purchase.

7.4 The Member shall have no right to receive benefits from Lyoness in respect of a transaction until and unless the rebate due to Lyoness from the Loyalty Merchant for the transaction has been irrevocably received by Lyoness. Benefits are based on the final purchase price paid by the Member and any sale, return, or other circumstances that reduce the price paid will also affect the corresponding benefit.

## 8. Online Office and Services

8.1 Lyoness makes a free online office available to each Member on the Lyoness website at [www.lyoness.us](http://www.lyoness.us) (log-in area), where Members can view Booked Purchases made, Members referred, and information about Lyoness Loyalty Program benefits. Lyoness shall not be liable for any non-availability of the website and/or the online office.

8.2 Access to the online office is controlled by a username, password, and PIN. The Member must keep this information secure and confidential and not disclose it under any circumstances to other Members and/or third parties. The Member may change his or her access information at any time by logging into the website. It is strictly prohibited for any Member to login to another Member's online-office and/or have access to another Member's username and password.

8.3 The Member shall notify Lyoness immediately of any unauthorized use of the Member's password or PIN, or if the Member knows or suspects that the Member's password or PIN has become known to any other person or has been otherwise compromised. The Member's login will be immediately blocked and the Member will be sent new access information by SMS (text message) or email. The Member is solely responsible and liable for any use and misuse of her or his password or PIN and for all activities that occur under such password and PIN, and the Member must ensure that all uses of such password and PIN are in compliance with this Agreement. All passwords and PINs remain the property of Lyoness and may be cancelled or suspended at any time by Lyoness without notice and without liability to Lyoness. Lyoness is not under any obligation to verify the identity or authority of the user of any password or PIN. THE SECURITY AND PRIVACY PROVIDED BY PASSWORDS IS NOT COMPLETE, AND CAN BE CIRCUMVENTED. YOUR USE OF PASSWORDS IS AT YOUR OWN RISK.

## 9. Data Protection

9.1 To the extent necessary to operate the Lyoness Loyalty Program, Lyoness collects, stores, and processes Member's personal information. In connection with the settlement of the Friendship Bonus and additional benefits, Lyoness discloses information about the Member's Booked Purchases to the Member's referrer and other Members. The Member's personal information will be listed on the Cashback Card provided to the Member, and will be disclosed to a Loyalty Merchant when the Member

makes a Booked Purchase at such Loyalty Merchant. Lyonesse will also use the Member's data to provide personalized information to the Member about Lyonesse Loyalty Merchant offers and products, and Lyonesse may share statistical purchase information, collected in an anonymous format, with Loyalty Merchants for the purposes of developing the Lyonesse Loyalty Program. Persons to whom information is disclosed may be located abroad. In respect of any disclosure of personal information, Lyonesse will comply with data protection and privacy law in the relevant countries.

9.2 Members may request to view, change, or delete any personal information retained by Lyonesse. Any such requests should be sent to [office@lyonesse.us](mailto:office@lyonesse.us). To the extent permitted by law, Lyonesse reserves the right to refuse to process requests that are impractical, inappropriately repetitive, an abuse of law, or jeopardize the privacy of other Members.

9.3 Further information on data protection and personal information can be found in Lyonesse's Data Protection Policy at [www.lyonesse.us](http://www.lyonesse.us).

#### 10. Consent to Use and Disclosure of Member's Personal Information

10.1 The Member consents, but may revoke his or her consent at any time, to the use and disclosure of the Member's personal information as described above under Section 9. In particular, the Member consents to the disclosure of the volume of the Member's Booked Purchases to third parties such as the Member's referrer who may be located abroad, and to the use of personal data concerning shopping preferences by Lyonesse to generate personalized information and to contact the Member to promote the Lyonesse Loyalty Program and Loyalty Merchant offers.

10.2 The Member may revoke his or her consent by emailing that request to: [office@lyonesse.us](mailto:office@lyonesse.us).

#### 11. Limitations of Liability and Indemnity

11.1 ALL INFORMATION, PRODUCTS AND/OR SERVICES PROVIDED TO THE MEMBER BY LYONESSE HEREUNDER ARE PROVIDED "AS IS" AND WITHOUT EXPRESS OR IMPLIED WARRANTIES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED.

11.2 IN NO EVENT SHALL LYONESSE BE LIABLE UNDER ANY CLAIM, DEMAND OR ACTION (WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR IN RELATION TO LYONESSE'S PERFORMANCE OR LACK THEREOF UNDER THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, LOSS OF USE, OR LOSS FROM BUSINESS DISRUPTION), REGARDLESS OF WHETHER OR NOT LYONESSE, ITS EMPLOYEES, OR AGENTS HAVE BEEN ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES. LYONESSE'S TOTAL LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS LICENSE (WHETHER IN CONTRACT, TORT OR OTHERWISE) SHALL IN NO EVENT EXCEED THE AMOUNT OF ALL PAYMENTS ACTUALLY RECEIVED BY LYONESSE OR OTHERWISE PAYABLE TO LYONESSE FROM THE MEMBER DURING THE TERM OF THIS MEMBERSHIP AGREEMENT.

11.3 LYONESSE ASSUMES NO LIABILITY TO THE MEMBER WHATSOEVER, INCLUDING WITHOUT LIMITATION, LIABILITY BY REASON OF THE TERMINATION OR AMENDMENT OF THE LYONESSE LOYALTY PROGRAM OR THE ADDITION OR REMOVAL OF LOYALTY MERCHANTS. Furthermore and without limiting the foregoing, the liability of Lyonesse is limited or excluded as follows:

11.3.1 Advice and information provided by Lyonesse or any of its representatives, employees, or agents, or by any Member, whether oral or written, will not create any representation, warranty, or condition, or vary or amend this Membership Agreement, and the Member may not rely on any such advice or information, unless such information is in writing and is expressly an amendment of this Membership Agreement.

11.3.2 Lyonesse shall not be liable for the continuous availability of the online office, website, SMS service, the Internet and mobile phone networks, Cashback Card terminals and other Lyonesse terminals, and for the proper operation of mobile and other terminals. The operation of the above may not be uninterrupted, or secured, and security and privacy risks cannot be eliminated.

11.3.3 Lyonesse shall not be liable for any failure to acquire a product or service from third parties, including from Loyalty Merchants, or any limited availability of the same. All transactions with Loyalty Merchants and other third parties are at the Member's own risk. Lyonesse is not a party to such transactions and disclaims any and all liability in respect of such transactions.

11.4 For the purposes of this Section 11, the "Indemnified Parties" shall be Lyonesse, its Affiliates, all of their respective agents, directors, officers, employees, service providers, suppliers, licensors and licensees, and all other related, associated, or connected persons and all other persons for whom Lyonesse or any of its Affiliates is liable. The Member hereby releases, indemnifies, and holds harmless the Indemnified Parties from and against any and all liabilities, expenses, and costs, including without limitation reasonable legal fees and expenses, incurred by the Indemnified Parties in connection with any claim or demand arising from, connected with, or relating to the Member's use of the Lyonesse Loyalty Program, the Member's breach of consumer protection or other laws or any licensing requirements (including in connection with soliciting new Members), or the Member's breach of this Membership Agreement. The Member will assist and cooperate as reasonably required by the Indemnified Parties in the defense of any such claim or demand.

11.5 Insofar as the liability of Lyonesse is excluded, limited, or indemnified, the personal liability of employees, legal representatives, and agents of Lyonesse is likewise and to the same extent excluded, limited, or indemnified. The exclusion of certain warranties and limitation of certain liabilities is prohibited by legislation in certain jurisdictions. Such legislation may be applicable to the Member. The provisions of this Section 11 shall survive indefinitely after the termination of this Membership Agreement.

#### 12. Costs

12.1 Registration and participation by the Member in the Lyonesse Loyalty Program is free of charge. Specific services (such as certain administrative services) may require the payment of a nominal fee.

12.2 A personalized Cashback Card is sent to the Member when the Member has made total Booked Purchases of \$300. The Cashback Card is valid for 24 months. Lost, damaged, or expired cards may be replaced for a small fee. The Member may also obtain and use the Mobile Cashback Card on a mobile device at any time, without charge.

#### 13. Termination by Member

13.1 The Member may terminate the contractual relationship and her or his membership at any time by notice in writing. The Member may also simply cease to use the Lyonesse Loyalty Program at any time.

13.2 Upon termination, the Member may claim and Lyonesse will pay out any benefits that have accrued such as Cashback amounts in respect of a Booked Purchase that was made prior to termination. Amounts in the Member's Cash Account will be paid out to the Member.

13.3 Partially paid orders on Gift Cards are forfeited on termination. Prior to termination the Member may make a Remaining Balance payment to recover the down payment in the form of a Gift Card, pursuant to Section 5.4.1. Any rewards and benefits that have not accrued have no monetary value and are forfeited on termination.

13.4 A former Member may reapply for a new Membership no sooner than six (6) months after termination.

13.5 NOTICE OF CANCELLATION. YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE DATE OF THIS TRANSACTION. IF YOU CANCEL, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE WILL BE RETURNED WITHIN TEN BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE. IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE; OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK. IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

#### 14. Termination by Lyonesse

14.2 Lyonesse may terminate the Membership Agreement for convenience at any time and in its sole discretion. In the event that Lyonesse terminates for convenience,

Lyoness shall refund to the Member all outstanding down payments. All accrued benefits will also be paid out to the Member.

14.3 In the event of a termination by Lyoness for cause, benefits will be settled in accordance with Sections 13.2 and 13.3, above. Lyoness may terminate for cause if the Member commits (a) a material breach, which is a curable breach, which is not cured within (i) thirty (30) days of the date on which notice of the breach is provided to the Member, or (ii) if such material breach is, by its nature, a curable breach that is not curable within a thirty (30) day period, within such longer period as would be reasonably necessary for a diligent party to cure such material breach; or (b) a material breach which is, by its nature, incurable.

14.4 A material breach shall include, but is not limited to: any action or failure to act that may be detrimental to the commercial interests or reputation of Lyoness or of a Loyalty Merchant; (b) any breach by the Member of the Member's obligations under this Membership Agreement or, if applicable, the Supplementary Agreement; (c) a violation by the Member of any federal, state, law or regulation applicable to the Lyoness Loyalty Program and related activities including, without limitation, licensing or other requirements in connection with soliciting new Members; (d) any incorrect, false, or misleading statement made by the Member about Lyoness or the Lyoness Loyalty Program, including without limitation representations made in connection with soliciting new Members; and (e) any unauthorized use of any trademark, trade name, logo, or other intellectual property of Lyoness or a Loyalty Merchant.

#### 15. Miscellaneous

15.1 All notices or other communications to either party hereunder, and any changes to the terms of the contract between Lyoness and the Member, shall be in written form, including fax or email. In addition, Lyoness is also permitted to send contractual and other information to a Member by SMS (text message). The Member shall be deemed to have received any email sent to the email address provided by the Member, and in respect of items sent by mail, Lyoness shall be deemed to have completed delivery when the item has been deposited with the postal service.

15.2 The Member gives her or his consent, (which may be revoked at any time by giving proper notice), for Lyoness to make written, personal and telephone contact with the Member for advertising purposes and to send advertising information by methods including SMS (text message) or email.

15.3 Lyoness may, at any time, propose changes to any term of this Membership Agreement. The Member shall be informed in writing of such proposals at least thirty (30) days in advance of any changes taking effect, and such proposals may be sent to the Member by email to the email address of the Member. As it is not possible for Lyoness to maintain the Lyoness Loyalty Program on the basis of contracts with varying terms, the Member must elect to either accept the changes or terminate the Membership Agreement. Proposed changes are deemed to have been accepted by a Member unless rejected in writing by such Member within a period of thirty (30) days following notice of such changes, or if the Member continues to use the Lyoness Loyalty Program after notification of such changes. Any such rejection of the proposed changes by a Member will be deemed to constitute a declaration of immediate termination of the Member Agreement.

15.4 The provisions of this Agreement will inure to the benefit of and be binding on each party and each of their respective successors, permitted assigns, executors, administrators, and personal representatives. Following written approval from Lyoness, in Lyoness' sole and absolute discretion, a Member may be entitled to assign or transfer her or his rights and obligations resulting from the contract provisions to third parties.

15.5 This Agreement and all related matters are governed exclusively by the laws of the State of Florida, and applicable federal laws of the United States of America, excluding any rules of private international law or the conflict of laws which would lead to the application of any other law. Except for the Arbitration provision and its application herein which governs any disputes between Lyoness and the Member, any dispute involving Lyoness' intellectual property, including, without limitation any copyrights or trademarks that arises between Lyoness and the Member or any other person from, connected with, or relating to this contractual relationship or any related matters must be resolved exclusively before the federal or state courts in and from Miami-Dade County, Florida. Except as otherwise permitted by the Arbitration provision below, each Member hereby irrevocably submits and accepts the original and exclusive jurisdiction of such Courts.

WAIVER OF JURY TRIAL. LYONESS AND MEMBER KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY, WAIVE THE RIGHT WHICH ANY MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING, LITIGATION OR COUNTERCLAIM BASED HEREIN or HEREON, OR ARISING OUT OF, UNDER, ON OR IN CONNECTION WITH THESE GENERAL TERMS AND CONDITIONS, AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER OF US.

#### 16. Sale, Transfer or Assignment of Lyoness Membership

16.1 Although a Lyoness Membership is privately owned, the sale, transfer, or assignment of a Lyoness Membership, is subject to certain limitations. If a Member wishes to sell her or his Lyoness Membership, the following criteria must be met:

- The selling Member must offer Lyoness the right of first refusal to purchase the Member ID on the same terms as agreed upon with a third-party buyer. Lyoness shall have fifteen (15) days from the date of receipt of the written offer from the seller to exercise its right of first refusal;
- The buyer or transferee must first qualify to become a Lyoness Member; Qualification is subject to Section 13.4;
- Before the sale, transfer, or assignment can be finalized and approved by Lyoness, any debt obligations the selling party has with Lyoness must be satisfied; and
- The selling party must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer, or assign a Lyoness Membership.

16.2 Prior to your Lyoness Membership, the selling Member must notify the Lyoness Sales Department in writing at sales-service@lyoness.us and advise his or her intent to sell his or her Lyoness Membership. The selling Member must also receive written approval from the Sales Department before proceeding with the sale. No changes in lifeline can result from the sale or transfer of a Lyoness Membership.

#### 17. Mediation

17.1 Prior to instituting arbitration, the parties shall meet in good faith and attempt to resolve any dispute arising from or relating to the Agreement through non-binding mediation. One individual who is mutually acceptable to the parties shall be appointed as mediator. The mediation shall occur within sixty (60) days from the date on which the mediator is appointed. The mediator's fees and costs, as well as the costs of holding and conducting the mediation, shall be divided equally between the parties. Each party shall pay its portion of the anticipated shared fees and costs at least ten (10) days in advance of the mediation. Each party shall pay its own attorney's fees, costs, and individual expenses associated with conducting and attending the mediation. Mediation shall be held in Miami-Dade County, Florida and shall last no more than two (2) business days.

#### 18. Arbitration

18.1 If mediation is unsuccessful, any controversy or claim arising out of or relating to the Agreement, or the breach thereof, shall be settled by arbitration, except as otherwise permitted herein. The arbitration shall be filed with, and administered by, the American Arbitration Association ("AAA") under its rules and procedures including emergency measures of relief. The Commercial Arbitration Rules and Mediation Procedures of the AAA are available on the website at [www.adr.org](http://www.adr.org).

18.2 Notwithstanding the rules of the AAA, the following shall apply to all arbitration actions:

- The Federal Rules of Evidence shall apply in all cases;
- The Parties shall be entitled to all discovery rights permitted by the Federal Rules of Civil Procedure;
- The Parties shall be entitled to bring motions under Rules 12 and/or 56 of the Federal Rules of Civil Procedure;
- The arbitration shall occur within one-hundred-eighty (180) days from the date on which the arbitrator is appointed, and shall last no more than five (5) business days; and
- The Parties shall be allotted equal time to present their respective cases, including cross examinations.

18.3 All arbitration proceedings shall be held in Miami-Dade County, Florida. There shall be one arbitrator selected from the panel that the Alternate Dispute Resolution service provides. Each party to the arbitration shall be responsible for its own costs and expenses of arbitration, including legal and filing fees. The arbitration shall occur within one-hundred-eighty (180) days from the date on which the arbitration is filed, and shall last no more than five (5) business days. The parties shall be allotted equal time to present their respective cases. The decision of the arbitrator shall be final and binding on the parties and may, if necessary, be reduced to a judgment in any court of competent jurisdiction. This agreement to arbitrate shall survive the cancellation or termination of the Agreement.

18.4 The parties and the arbitrator shall maintain the confidentiality of the entire arbitration process and shall not disclose to any person not directly involved in the arbitration process:

- The substance of, or basis for, the controversy, dispute, or claim;
- The content of any testimony or other evidence presented at an arbitration hearing or obtained through discovery in arbitration;
- The terms or amount of any arbitration award; and
- The rulings of the arbitrator on the procedural and/or substantive issues involved in the case.

18.5 Notwithstanding the foregoing, nothing contained within this "Membership Agreement" shall prevent Lyonesse from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction, permanent injunction, or other relief available to safeguard and protect its intellectual property rights, and/or to enforce its rights under the non-solicitation provision of the Agreement.

18.6 If any provision of this Membership Agreement is found to be unlawful, void, or for any reason unenforceable, then that provision shall be deemed to be severed from the rest of this Agreement and shall not affect the validity and enforceability of any remaining provisions. If any provision of the Agreement, in its current form or as may be amended, is found to be invalid or unenforceable for any reason, only the invalid portion of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect. The severed provision, or portion thereof, shall be reformed to reflect the purpose of the provision as closely as possible.

18.7 No waiver, expressed, or implied, by either party of any breach or default under this Membership Agreement will constitute a continuing waiver of such breach or default, or be deemed to be a waiver of any proceeding or subsequent breach or default. Any rights not expressly granted by this Membership Agreement are reserved to Lyonesse.

18.8 In this Membership Agreement, unless the context otherwise requires, words imparting the singular include the plural and vice versa, and words imparting gender, include all genders. In addition, unless the context otherwise requires, reference to "person" means a natural person, firm, partnership, company, or corporation, joint venture, sole proprietorship, or other entity of any kind.